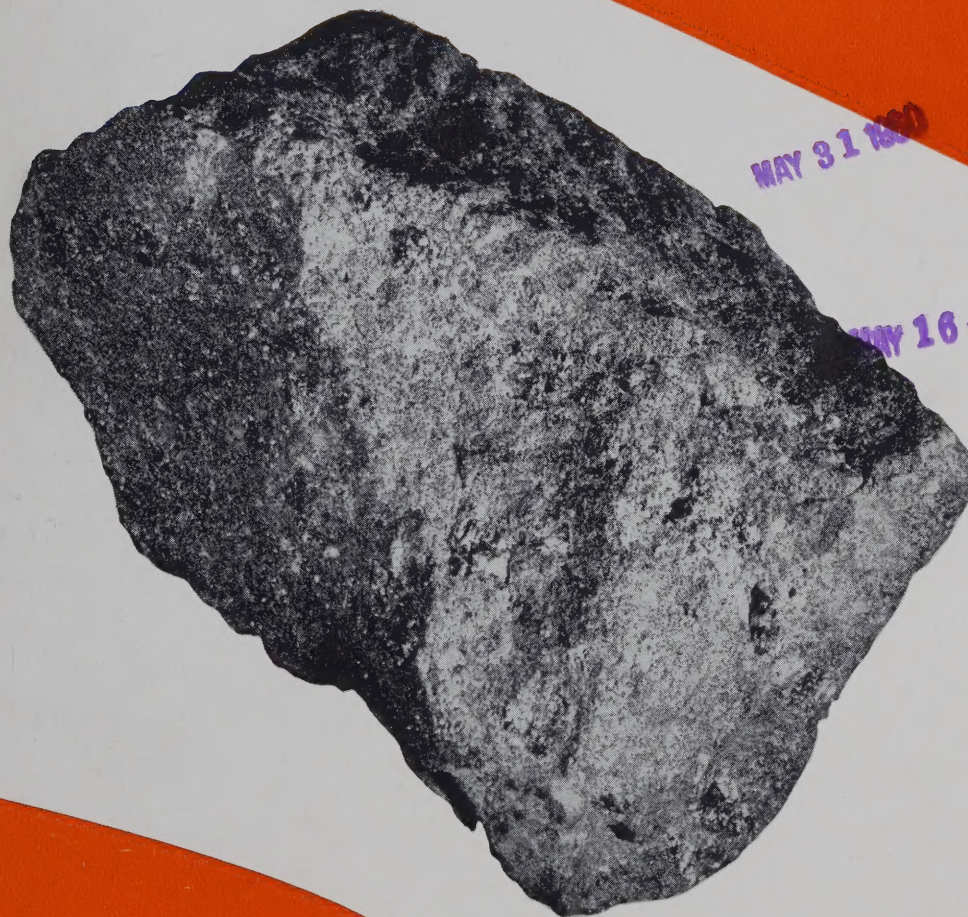


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BELCHER MINING CORPORATION LIMITED



Associate
Little Long Lac
Gold Mines Limited.



MAY 31 1960

MAY 16 1960

JUN 15 1960

Annual Report

FOR THE YEAR ENDED DECEMBER 31, 1959

Front Cover — Sample of ore from the east side
of the "D" orebody showing typical
coarse grain structure.

BELCHER MINING CORPORATION LIMITED

Officers:

DOUGLAS BANKS - - - - - *President*
J. GEORGE BOECKH - - - - - *Vice-President*
MISS B. A. ARGO - - - - - *Secretary*

Directors:

| | |
|------------------|------------------|
| JOHN C. L. ALLEN | J. GEORGE BOECKH |
| DOUGLAS BANKS | J. M. EASTMAN |
| S. J. BIRD | M. C. MADDIGAN * |

ROBERT C. STANLEY, JR.

Transfer Agents:

TORONTO GENERAL TRUSTS CORP., Toronto, Ont

Bankers:

IMPERIAL BANK OF CANADA, Toronto, Ont.

Auditors:

CLARKSON, GORDON & Co., Toronto, Ont.

Head Office:

199 Bay Street, Toronto, Ont.

* Deceased January 2, 1960

President's Report to Shareholders

TO THE SHAREHOLDERS:

The Annual Report together with Financial Statements and the Auditors' Report thereon, for the year ended December 31st, 1959, are presented herewith. Of significant note is the fact that your Company was able to maintain its strong liquid financial position while continuing active exploration efforts and participating equally with Wright-Hargreaves Mines, Limited and Malartic Gold Fields Limited in the further development of the Great Whale Iron Mines Limited ore deposits.

Great Whale Iron Mines Limited:

During 1959, the exploration and development programme of Great Whale Iron Mines Limited was further advanced on its extensive holdings embracing 194.9 square miles near Great Whale River, Quebec. It was decided that sufficient work for the present had been completed on the "A" orebody where over 600 million tons of magnetite ore was indicated by previous diamond drilling and that 1959 operations should be concentrated on the "D" orebody. Over 10,000 feet of diamond drilling was carried out and the drilling confirmed the estimate of your Company's engineers of at least 150 million tons of ore in this deposit, grading about 37% iron. The ore is coarse-grained, has excellent concentration characteristics and yields better than a 65% iron concentrate at a grind of 80% minus 150 mesh, with a ratio of weight recovery of close to 1:2.

The Company's field reconnaissance engineers discovered a new orebody during the summer of 1959 which has been designated as the "E" orebody. Surface bulk sampling of this deposit, which is exposed over an area of about a half mile square, gave an average grade of over 37% iron. Grinding tests showed it to yield a concentrate averaging over 68% iron at a coarse grind of 80% minus 150 mesh. It is estimated that this orebody contains 60 million tons per 100 feet of depth of iron formation. Detailed diamond drilling of this deposit will be undertaken in 1960 (Note: drilling operations are now underway, having started on March 15th.) The over-all ore situation and outlook at Great Whale is very pleasing.

Tukarak Island, Belcher Islands:

As a follow-up to the earlier airborne E-M survey and exploration for sulphide deposits carried out in previous years, the areas covering the anomalies were mapped in detail and carefully checked. A ground E-M survey was also made of all areas of potential merit. This detailed work did not disclose any showings of sufficient interest to warrant further work.

Innetalling Island, Belcher Islands:

No further work was done in 1959 on the Innetalling Island magnetite deposit, where previous diamond drilling indicated a potential of 1,000,000,000 tons of magnetite grading about 30% iron.

Lower Detour Lake, Ontario:

In 1958 your Company staked 180 claims in this area as a geological bet. During 1959 the claims were mapped and carefully prospected, but nothing of sufficient interest to warrant further work was found.

Doran Lake, Ontario:

During 1959 your Company entered into an agreement with Lun-Echo Gold Mines Limited, under which it acquired a half-interest in a large group of claims at Doran Lake in consideration of its undertaking to pay the costs incurred in patenting these claims. These costs will include a survey of the claims and approximately 4,000 feet of diamond drilling. The claims are known to contain two low-grade magnetic iron orebodies. Preliminary engineering estimates indicate 90 million tons of 65% iron concentrates to an open-pit mining depth of 500 feet.

Government Surveys — Moosonee:

While it is too soon to fully assess the full import of plans announced by the Government of Ontario for development of the James Bay Area, including a first-class deep water ocean port at Moosonee, surveys and studies are now underway. The main purpose in developing the port would be as a trans-shipment point for eventual movement of iron ore from Great Whale, the Belcher Islands and Fort George. There is an estimated four billion tons of iron ore in these areas. The ore would be carried by boat to Moosonee and from there via the Ontario Northland Railway (owned by the Government of Ontario) to Ontario's industrial centres and ports on the Great Lakes. It is indicated that the Federal Government may share the cost of the surveys and that the project planning will be well advanced in 1960.

The Directors wish to record their sincere appreciation of the services rendered to your Company by its Staff and all Employees.

On Behalf of the Board,

DOUGLAS BANKS,

President.

May 3, 1960.

BELCHER MINING CO*(Incorporated under t**Balance Sheet,
December 31, 1959**(with comparative figures
as at December 31, 1958)***ASSETS**

| | 1959 |
|---|-------------------------------|
| CURRENT: | |
| Cash | \$ 13,743.17 |
| Investment in bonds — at cost (principally Government of Canada) (market value \$1,872,820.00) | 1,993,858.00 |
| Guaranteed investment certificates — at cost | 72,688.36 |
| Other investments | 25,995.00 |
| Accounts receivable | 6,376.96 |
| Total current | <u>\$ 2,112,661.49</u> |
| Investment in and advances to Great Whale Iron Mines Limited (No Personal Liability) | 218,653.98 |
| Investment in and advances to subsidiary — Wales Quebec Mines Limited | 422.34 |
| MINING CLAIMS AND PROPERTIES: | |
| Acquired for 1,810,000 shares issued at \$0.10 less amounts written off | \$163,000.00 |
| Interest in oil royalty, at cost less amount written off | 8,000.00 |
| | <u>171,000.00</u> |
| Deferred development and administrative expenditures, etc. (statement 3) | 1,014,461.31 |
| | <u><u>\$ 3,517,199.12</u></u> |

CORPORATION LIMITED

(Incorporated under the laws of Ontario)

STATEMENT 1

LIABILITIES

| 1958 | | 1959 | 1958 |
|---------------------|---------------------------------------|------------------------|------------------------|
| <u> </u> | | <u> </u> | <u> </u> |
| 11,941.06 | Accounts payable | \$ 7,950.91 | \$ 19,315.09 |
| 1,965,776.70 | SHAREHOLDERS' EQUITY: | | |
| | Capital Stock — | | |
| 25,995.00 | Authorized: | | |
| 12,233.57 | 7,000,000 shares par value \$1 each | | |
| <u>2,015,946.33</u> | Issued: | | |
| | 5,600,000 shares (of which 200,000 | | |
| | were issued during the year | | |
| 143,455.15 | for cash) | \$ 5,600,000.00 | |
| | Deduct discount on shares (net) | 1,955,754.46 | |
| 18,251.49 | | <u>\$ 3,644,245.54</u> | |
| | Deficit (statement 2) | 134,997.33 | 3,509,248.21 |
| | | | <u>3,446,792.49</u> |
| | | <u>\$ 3,517,199.12</u> | <u>\$ 3,466,107.58</u> |
| 207,000.00 | On behalf of the Board: | | |
| | DOUGLAS BANKS, Director. | | |
| 1,081,454.61 | J. GEORGE BOECKH, Director. | | |
| <u>3,466,107.58</u> | | | |

BELCHER MINING CORPORATION LIMITED

Statement of Deficit AS AT DECEMBER 31, 1959

| | | |
|--|-----------------------------|----------------------------|
| Balance of contributed surplus December 31, 1958 | | \$ 2,546.95 |
| LESS: | | |
| Development costs incurred on mining claims abandoned (statement 3) | \$65,594.88 | |
| Cost of properties abandoned (statement 3) | 12,480.25 | |
| Loss on properties sold (statement 3) | 5,640.00 | |
| | <u>\$83,715.13</u> | |
| Write off of investment in and advances to subsidiary, Wales Quebec Mines Limited | 17,829.15 | |
| Write off of mining claims | 36,000.00 | 137,544.28 |
| | <u> </u> | |
| Balance December 31, 1959 — deficit | | <u><u>\$134,997.33</u></u> |

AUDITORS' REPORT

To the Shareholders of
BELCHER MINING CORPORATION LIMITED:

We have examined the balance sheet of Belcher Mining Corporation Limited as at December 31, 1959 and the statement of deferred development and administrative expenditures, etc., to December 31, 1959. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion the accompanying balance sheet and statement of deferred development and administrative expenditures, etc., present fairly the financial position of the company as at December 31, 1959, and the results of its operations for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Toronto, Canada,
April 20, 1960.

CLARKSON, GORDON & CO.,
Chartered Accountants.

BELCHER MINING CORPORATION LIMITED

Statement of Deferred Development and Administrative Expenditures, etc.

TO DECEMBER 31, 1959

| | Total to December 31, 1958 | Expendi- tures during 1959 | Expenditures on claims abandoned written off to deficit (statement 2) | Total to December 31, 1959 |
|--|----------------------------------|-------------------------------------|--|----------------------------------|
| DEVELOPMENT: | | | | |
| Engineering and surveying fees and expenses | \$ 199,879.27 | \$15,617.26 | \$32,925.81 | \$ 182,570.72 |
| Diamond drilling | 258,360.66 | (8.02) | 24.88 | 258,327.76 |
| Assaying and ore dressing tests | 32,379.89 | 22.72 | 79.85 | 32,322.76 |
| Supplies | 103,317.83 | 51.51 | 237.59 | 103,131.75 |
| Travel and transportation | 225,518.63 | 9,294.20 | 24,972.15 | 209,840.68 |
| Superintendence | 51,000.00 | 15,000.00 | φ | 66,000.00 |
| Wages | 70,594.68 | 1,200.00 | φ | 71,794.68 |
| Recording fees, licences, taxes, etc. | 26,207.18 | 1,996.59 | 605.00 | 27,598.77 |
| Surface exploration | 15,990.18 | φ | φ | 15,990.18 |
| Expense of ship (net) | 13,359.17 | φ | φ | 13,359.17 |
| Insurance | 14,582.87 | 908.25 | 791.50 | 14,699.62 |
| Buildings and equipment | 18,925.11 | 1,005.12 | 1,104.67 | 18,825.56 |
| Miscellaneous | 6,301.23 | 5,096.04 | 4,853.43 | 6,543.84 |
| Total development | \$ 1,036,416.70 | \$50,183.67 | \$65,594.88 | \$ 1,021,005.49 |
| ADMINISTRATIVE: | | | | |
| Advertising | \$ 49,121.33 | \$ 1,093.01 | | \$ 50,214.34 |
| Legal and audit | 40,680.76 | 3,248.15 | | 43,928.91 |
| Transfer fees | 24,830.45 | 4,749.16 | | 29,579.61 |
| Travel and entertainment | 10,126.16 | 494.03 | | 10,620.19 |
| Secretarial, accounting and office expense | 59,834.05 | 25,251.00 | | 85,085.05 |
| Printing, stationery and postage | 11,346.32 | 1.15 | | 11,347.47 |
| Telephone and telegraph | 5,067.27 | 141.17 | | 5,208.44 |
| Directors' fees | 9,750.00 | 800.00 | | 10,550.00 |
| Government fees | 1,580.76 | φ | | 1,580.76 |
| Meetings and reports | 32,549.45 | 4,966.87 | | 37,516.32 |
| Investment counselling | φ | 2,643.75 | | 2,643.75 |
| General expense | 6,489.24 | 1,706.05 | | 8,195.29 |
| Total administrative | \$ 251,375.79 | \$45,094.34 | | \$ 296,470.13 |
| Total development and administrative | \$ 1,287,792.49 | \$95,278.01 | \$65,594.88 | \$ 1,317,475.62 |
| MISCELLANEOUS REVENUE AND EXPENDITURE: | | | | |
| Investment revenue | \$ 146,743.95 | \$73,259.33 | | \$ 220,003.28 |
| Profit on sale of investments | 11,332.50 | 4,238.80 | | 15,571.30 |
| Sundry revenue | 3,840.98 | φ | | 3,840.98 |
| Oil royalties received | 15,040.70 | 1,058.05 | | 16,098.75 |
| Proceeds on sale of 90% interest in Nova Scotia closure #9 | 47,500.00 | φ | | 47,500.00 |
| | \$ 224,458.13 | \$78,556.18 | | \$ 303,014.31 |
| LESS: | | | | |
| Cost of properties abandoned | \$ 12,480.25 | | \$12,480.25 | φ |
| Loss on properties sold | 5,640.00 | | 5,640.00 | φ |
| | \$ 18,120.25 | | \$18,120.25 | φ |
| Total miscellaneous revenue and expenditure | \$ 206,337.88 | \$78,556.18 | \$18,120.25 | \$ 303,014.31 |
| Deferred development and administrative expenditures, etc., to December 31 | \$ 1,081,454.61 | \$16,721.83 | \$83,715.13 | \$ 1,014,461.31 |



Drill core showing coarseness of magnetite
from the "D" orebody which
was drilled in 1959.

